

PROPERTY TAX APPEAL BOARD'S DECISION

APPELLANT: James R. Burgener
DOCKET NO.: 05-26579.001-I-1 through 05-26579.005-I-1
PARCEL NO.: See below.

The parties of record before the Property Tax Appeal Board are James R. Burgener the appellant, by attorney Patrick J. Cullerton of Thompson Coburn Fagel/Haber, Chicago, and the Cook County Board of Review.

Located in Lyons Township, Cook County, the subject property consists of 44,145 square foot parcel improved one-story and part two-story masonry and steel constructed industrial building containing 24,530 square feet of building area. The original building was constructed in the early 1900's with subsequent additions in 1955, 1969 and 1970. The building is fully sprinklered; has 12 to 16 foot clear ceilings; one truck level dock; and one grade level drive-in door.

The appellant, through counsel, presented evidence before the Property Tax Appeal Board arguing that the fair market value of the subject was not accurately reflected in its assessed value. In support of that argument, an appraisal summary report was proffered. The report was authored by John F. Clark of John F. Clark & Associates, Inc., Elizabeth, Illinois. The appraisal revealed Clark is a State of Illinois certified real estate appraiser and holds the Member of the Appraisal Institute (MAI) designation.

After an examination of the subject site, building, neighborhood and environs, the report indicated the appraiser determined the subject's highest and best use as improved; its current use.

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Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Cook County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO.	PARCEL NO.	LAND	IMPR.	TOTAL
05-26579.001-I-1	18-04-212-004-0000	\$ 6,356	\$ 529	\$ 6,885
05-26579.002-I-1	18-04-212-006-0000	\$ 9,906	\$ 826	\$ 10,732
05-26579.003-I-1	18-04-212-007-0000	\$ 2,023	\$ 168	\$ 2,191
05-26579.004-I-1	18-04-213-002-0000	\$21,533	\$113,330	\$134,863
05-26579.005-I-1	18-04-213-010-0000	\$ 2,446	\$ 13,883	\$ 16,329

Subject only to the State multiplier as applicable.

To estimate a fair market value for the subject of \$475,000 as of January 1, 2005, the appraiser employed the three classic approaches to value.

In the cost approach, the appraiser estimated a value for the subject site using the sales of five parcels located in the subject's general area. The comparables ranged in size from 52,543 to 175,661 square feet of land area and were sold from October 2001 to May 2004 for prices ranging from \$2.11 to \$6.35 per square foot of land area, unadjusted. After adjustments to the sales for property rights conveyed, financing terms, conditions of sale, market conditions, location and unique characteristics, the appraiser estimated a land value for the subject of \$5.00 per square foot of land area or \$221,000, rounded. A reproduction cost new was estimated to be \$1,176,960. Employing the age/life method to estimate depreciation of the building, the appraiser utilized 80%, or \$941,568, as the subject's estimated depreciation from all causes which was deducted from the estimated reproduction cost. These calculations resulted in a depreciated value for the subject improvement of \$235,292. Next to the depreciated improvement value, an estimated \$50,000 for yard improvements was added as was the estimated land value to determine an estimated value for the subject of \$506,000, rounded, via the cost approach.

The next approach to value in the appraisal was the income approach to value. The appraiser surveyed rental properties located in the subject's general area. After an analysis of the comparables' location, size, age, and other relevant factors, the appraiser estimated a net rental range from \$2.00 to \$4.00 per square foot of building area for the comparables. After considering the rental data the appraiser determined a reasonable rent for the subject would be \$2.50 per square foot of building area, or a potential gross income (PGI) of \$61,300. A deduction for vacancy and collection loss of 15% or \$9,195 was taken to conclude an effective gross income (EGI) of \$52,105. Allowable expenses of \$6,774 were deducted from the EGI to conclude an estimated net operating income (NOI) of \$45,331.

A capitalization rate of 10.0% for the subject was developed utilizing the market extraction techniques. This was applied to the subject's estimated NOI to indicate a value of \$453,000, rounded, through the income capitalization approach to value.

The appraiser selected the sales of five industrial buildings located in areas similar to the subject's general area. The properties range in parcel size from 52,480 to 127,778 square feet of land area; in improvement size from 29,190 to 45,500 square feet of building area; and have land to building ratios from 1.49:1 to 2.80:1. The comparables sold from October 2002 to January 2005 for prices ranging from \$16.48 to \$19.92 per square

foot of building area including land, unadjusted. The appraiser analyzed the sales of the comparables and adjusted them for property rights conveyed, financing terms, conditions of sale, market conditions, location and other unique characteristics. This data suggests a per-square-foot value for the subject of \$19.00, or an estimated value of \$466,000, rounded, for the subject through the sales comparison approach to value.

In the reconciliation, the appraiser placed the most emphasis on the sales comparison approach, with secondary emphasis on the income and the cost approaches to value. The appraiser's final opinion of the subject's a fair market value was \$475,000 as of January 1, 2005.

Based on the appraisal evidence, the appellant requested a reduction in the subject's improvement assessment.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's final assessment of \$205,154 was disclosed. The subject's final assessment reflects a fair market value of \$569,872, when the Cook County Real Property Assessment Classification Ordinance level of assessments of 36% for Class 5b properties such as the subject is applied. In support, the board of review offered a memorandum suggesting that sales of comparable properties indicates an unadjusted range of from \$23.25 to \$61.73 per square foot of building area and support the current assessment. Cook County Assessor's sales sheets for eight comparables were offered in support. The comparable properties range from 29 to 61 years old; in building size from 20,000 to 27,000 square feet and in land size from 29,926 to 110,529 square feet. These properties were sold from January 2001 to February 2007. Based on the foregoing, the board of review requested confirmation of the subject's assessment.

After reviewing the record and considering the evidence, the Property Tax Appeal Board finds it has jurisdiction over the parties and the subject matter of this appeal. The issue before the Property Tax Appeal Board is the subject's fair market value. Next, when overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179, 728 N.E.2d 1256 (2nd Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. Section 1910.65 *The Official Rules of the Property Tax Appeal Board* (86 Ill.Adm.Code §1910.65(c)). Having reviewed the record and considered the evidence, the Board concludes that the appellant has satisfied this burden.

The Property Tax Appeal Board finds that the best evidence in the record of the subject's fair market value as of January 1, 2005 is the appraisal report submitted by the appellant. The appellant presented an appraisal utilizing the three classic approaches to value. Each approach to value contained credible data and a concluded estimate of value based on a well reasoned analysis of the data. The appraiser relied most heavily on the sales comparison approach and each sale presented was described with appropriate adjustments made to each property when compared to the subject. Although less weight was accorded to the income approach by the appraiser, each step to estimate a value for the subject was followed carefully. Again, in the cost approach to value, the appraiser followed appropriate methodology even though less weight was placed on this approach to value. The Board finds that the appraiser's final conclusion to value to be well reasoned and aligned with the conclusions reached in each approach to value.

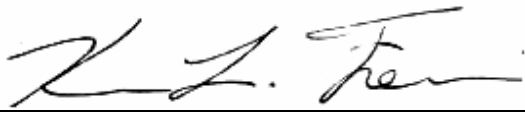
In contrast, the board of review presented only raw sales data without adjustments or analysis of the comparables and their comparability to the subject. The Board finds the board of review's presentation of sales without any meaningful analysis merely anecdotal. Therefore, the Property Tax Appeal Board places significant weight on the appellant's appraisal and places diminished weight on the board of review's evidence. As a result of this analysis, the Property Tax Appeal Board finds the appellant has adequately demonstrated that the subject is overvalued by a preponderance of the evidence.

Based on the foregoing analysis, the Property Tax Appeal Board finds the subject property had a market value of \$475,000, as of January 1, 2005. Since the fair market value of the subject has been established, the Board finds that the Cook County Real Property Assessment Classification Ordinance level of assessments of 36% for Class 5b properties such as the subject shall apply and a reduction is accordingly warranted.


This is a final administrative decision of the Property Tax Appeal Board which is subject to review in the Circuit Court or Appellate Court under the provisions of the Administrative Review Law (735 ILCS 5/3-101 et seq.) and section 16-195 of the Property Tax Code.



Chairman



Member



Member

Member

Member

DISSENTING: _____

C E R T I F I C A T I O N

As Clerk of the Illinois Property Tax Appeal Board and the keeper of the Records thereof, I do hereby certify that the foregoing is a true, full and complete Final Administrative Decision of the Illinois Property Tax Appeal Board issued this date in the above entitled appeal, now of record in this said office.

Date: February 29, 2008



Clerk of the Property Tax Appeal Board

IMPORTANT NOTICE

Section 16-185 of the Property Tax Code provides in part:

"If the Property Tax Appeal Board renders a decision lowering the assessment of a particular parcel after the deadline for filing complaints with the Board of Review or after adjournment of the session of the Board of Review at which assessments for the

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subsequent year are being considered, the taxpayer may, within 30 days after the date of written notice of the Property Tax Appeal Board's decision, appeal the assessment for the subsequent year directly to the Property Tax Appeal Board."

In order to comply with the above provision, YOU MUST FILE A PETITION AND EVIDENCE WITH THE PROPERTY TAX APPEAL BOARD WITHIN 30 DAYS OF THE DATE OF THE ENCLOSED DECISION IN ORDER TO APPEAL THE ASSESSMENT OF THE PROPERTY FOR THE SUBSEQUENT YEAR.

Based upon the issuance of a lowered assessment by the Property Tax Appeal Board, the refund of paid property taxes is the responsibility of your County Treasurer. Please contact that office with any questions you may have regarding the refund of paid property taxes.